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## OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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# Storm Water Department Fiscal Year 2009 Spending Plan

## OVERVIEW

At the May 8, 2009 Special Meeting of the Budget and Finance Committee, the Chief Financial Officer presented the FY 2009 Year-End Budget Monitoring Report. At that meeting, Council member DeMaio expressed concern with a few of the items included in the Storm Water Department's FY 2009 spending plan, and requested that the IBA report back with additional information on these items. Our office has met with the Department and this report provides a brief summary of the items in question.

## FISCAL/POLICY DISCUSSION

### Transfer to Other City Departments for Utilities and Dewatering Expenses (\$500,000)

In FY 2009, the City's storm water-related functions were consolidated into a single department. Since the consolidation, billing expenses still remain in other departments and divisions. One expense includes utility bills related to the Chollas Creek Operations Yard, which was previously operated by the Streets Division. The total amount billed is approximately \$200,000. Other expenses include payments for pump station and low-flow diversion service level agreements with MWWD, which totals approximately \$300,000.

### Payments for Claims and Emergencies (\$700,000)

In FY 2009, funding was budgeted in anticipation of settling a major storm water-related claim against the City and also for other storm water emergencies as they arise. The City will pay the claim out of the public liability fund, which will be reimbursed from the Storm Water budget. Of the \$700,000 for claims and emergencies, \$500,000 is for payment of the claim and \$200,000 is budgeted for emergencies.

Additional Department SAP Enterprise Asset Management (EAM) Expenses (\$594,500)  
Storm Water is currently working with the Streets Division on an SAP Plant Maintenance module, which is an automated maintenance work order management system. This Module will track City-wide storm water infrastructure assets and maintenance service notifications. It is compatible with the OneSD project and will utilize the SAP Enterprise Resources Planning (ERP) system.

Downtown Anchorage B Street Characterization and Source Identification and Chollas Characterization and Source Identification (\$3,161,024)

In addition to complying with the 2007 Municipal Permit, the Storm Water Department must also comply with State-mandated Total Maximum Daily Load (TMDL) requirements. The characterization and source identification studies help identify “constituents of concern” such as heavy metals and other pollutants that are found in our waterways. Identifying such pollutants will play an important role in complying with current and future TMDL requirements.

Asset Management Master Plan/Data Collection (\$2,000,000)

This expenditure allows for inventory and condition assessments to the City’s storm drain infrastructure, a necessary step in systematically addressing deferred maintenance.

Sponsorship-Qualcomm Stadium (\$250,000)

This is a one-time funding expense for a trash abatement partnership that Storm Water is administering at Qualcomm Stadium. This pilot project includes replacing undersized trash bins with larger covered bins, which is expected to reduce the amount of trash that escapes from the Qualcomm Stadium site and enters the waterways. The new bins will also include the “Think Blue” logo.

## CONCLUSION

While Department expenditures continue to be “back-loaded” and funding will be encumbered past year-end, we believe that the projects included in the spending plan are prudent and necessary in order to protect the City’s waterways and maintain permit compliance. In addition, the May Revise proposes to reduce the Department’s FY 2010 budget by approximately \$6.4 million. The IBA will continue to monitor Storm Water expenditures in FY 2010 to ensure that spending patterns are aligned with allocated funding.

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